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*Counsel and Proposed Counsel for the Debtor and Debtor in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,<sup>1</sup>

Debtor.

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§  
§  
§  
§  
§

Chapter 11

Case No. 19-34054-sgj11

**SUPPLEMENT TO THE MOTION OF THE DEBTOR PURSUANT TO 11 U.S.C. §§  
105(a) AND 363(b) TO EMPLOY AND RETAIN DEVELOPMENT SPECIALISTS, INC.  
TO PROVIDE A CHIEF RESTRUCTURING OFFICER, ADDITIONAL PERSONNEL,  
AND FINANCIAL ADVISORY AND RESTRUCTURING RELATED SERVICES, *NUNC  
PRO TUNC* AS OF THE PETITION DATE**

<sup>1</sup> The Debtor's last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

The above-captioned debtor and debtor in possession (the “Debtor”) hereby files this supplement (the “Supplement”) to the *Motion of the Debtor Pursuant to 11 U.S.C. §§ 105(a) and 363(b) to Employ and Retain Development Specialists, Inc. to Provide a Chief Restructuring Officer, Additional Personnel, and Financial Advisory and Restructuring Related Services, Nunc Pro Tunc as of the Petition Date* [Docket No. 74]<sup>2</sup> (the “CRO Motion”). In support of the Supplement, the Debtor respectfully represents as follows:

### **BACKGROUND**

1. On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Delaware, Case No. 19-12239 (CSS) (the “Delaware Court”). On December 4, 2019, the Delaware Court entered an order transferring venue of the Debtor’s bankruptcy case to this Court [Docket No. 186].<sup>3</sup> The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this chapter 11 case.

2. On October 29, 2019, the Debtor filed the CRO Motion seeking to retain Bradley Sharp as the Debtor’s Chief Restructuring Officer (the “CRO”) and to retain Development Specialists, Inc. (“DSI”) to provide certain related services to the Debtor. The Debtor attached to the CRO Motion as **Exhibit A** a copy of the engagement letter (the “Original Engagement Letter”) governing the CRO’s and DSI’s retention. On November 12, 2019, the Committee filed an objection to the CRO Motion [Docket No. 130] (the “Committee Objection”).

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<sup>2</sup> All capitalized terms used but not defined herein shall have the meanings given to them in the CRO Motion.

<sup>3</sup> All docket numbers refer to the docket maintained by this Court.

### **SUPPLEMENT**

3. Subsequent to the filing of the CRO Motion, the Debtor engaged in good faith negotiations with its Official Committee of Unsecured Creditors (the “Committee”) regarding certain disputes over the Debtor’s governance and management, including those set forth in the Committee Objection. The Debtor and the Committee endeavored to reach a comprehensive resolution that also addressed the role of the CRO and the scope of the CRO’s engagement.

4. Concurrently herewith, the Debtor and the Committee filed the *Motion of the Debtor to Approve Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operating in the Ordinary Course* (the “Settlement Motion”), which, if approved by the Court, resolves the Committee Objection. In connection therewith, the Debtor and the Committee also agreed to the scope of the CRO’s engagement and jointly revised the Engagement Letter to reflect those discussions. A copy of the revised Engagement Letter is attached to this Supplement as **Exhibit A** (the “Revised Engagement Letter”). The Revised Engagement Letter provides, among other things, that the CRO will report to the independent directors of Strand Advisors, Inc., the Debtor’s general partner.

5. The Debtor respectfully requests that any order approving the CRO Motion include an approval of the Revised Engagement Letter in lieu of the Original Engagement Letter attached to the CRO Motion.

### **NOTICE**

6. Notice of this Supplement shall be given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Office of the

United States Attorney for the Northern District of Texas; (c) the Debtor's principal secured parties; (d) counsel to the Committee; and (e) parties requesting notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

Respectfully submitted,

Dated: December 27, 2019

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